

The Business of Law Firms

LCLD Pathfinders – November 2017



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2 November 2017

Session Roadmap

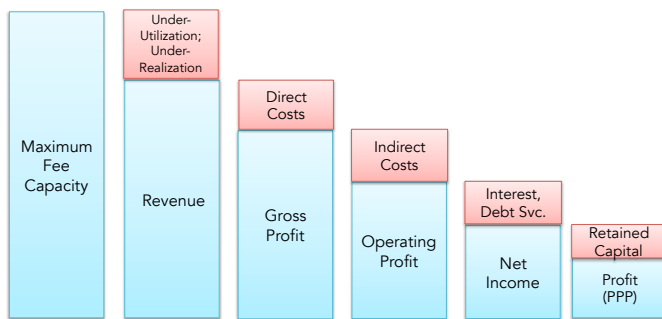


Our objective is to understand

- How law firms make money
- What drives profitability
- The spectrum of services
- Basic market differentiation
- Individual differentiation



Law Firm Econ 101 – Getting to Profit



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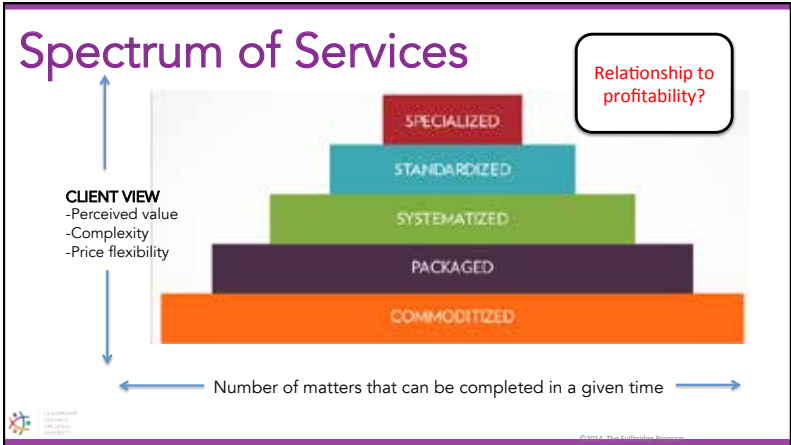
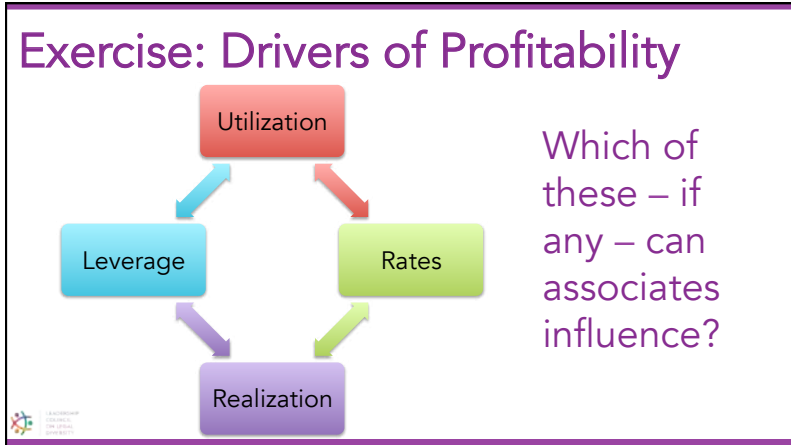
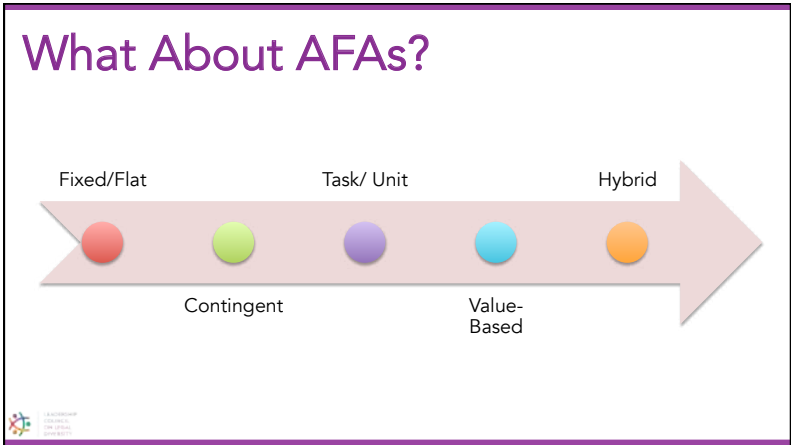
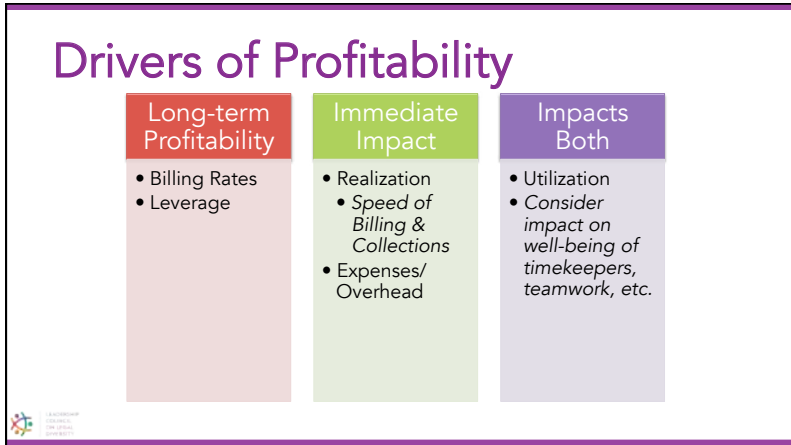
Drivers of Profitability

Drivers of profitability



- Utilization
- Billing Rates
- Realization Rate
- Leverage





Market Basics

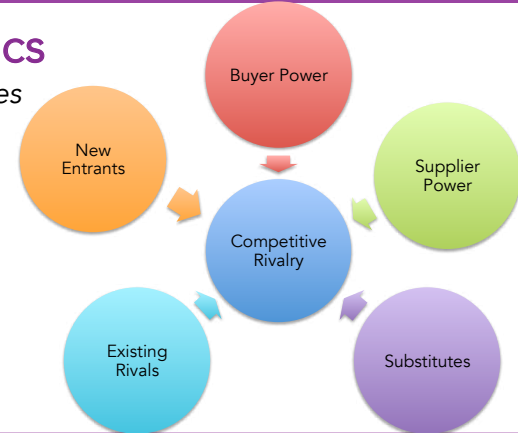
Porter's Five Forces



Market Basics

Porter's Five Forces

EXERCISE:
Assess one of
the five
forces



Market Differentiation



"The essence of strategy is choosing to perform activities differently than rivals do." (Michael Porter)



Differentiating Yourself

- More than doing excellent work
- Multiple audiences – internal, external
- Requires application of leadership skills
 - Success Mindset
 - Self-Awareness/Awareness of Others (MBTI)
 - Branding/Networking
 - Feedback
 - Career Ownership
 - Emotional Intelligence

